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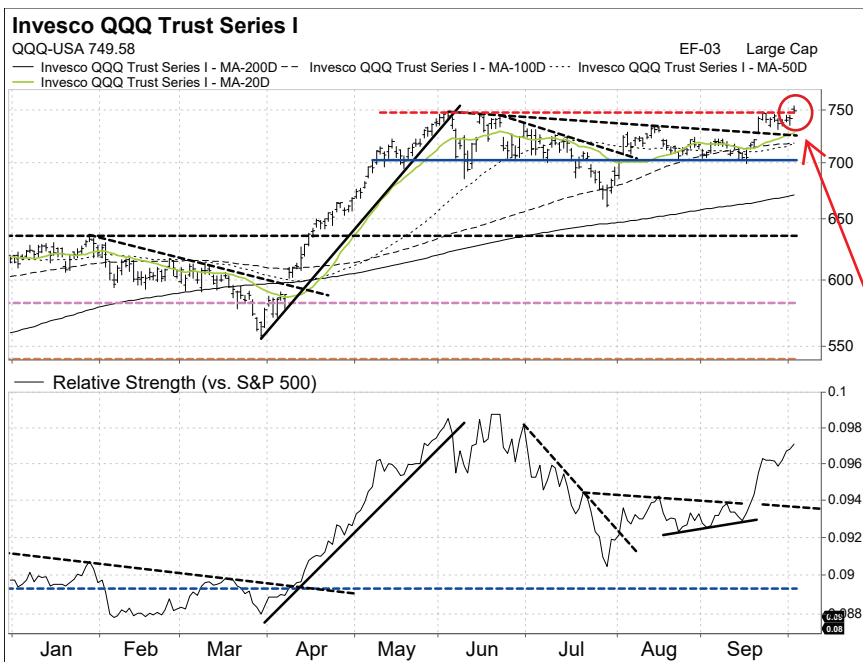
S&P 500 and Nasdaq 100 Shrugging Off Concerns

We remain bullish (as of our 4/20/26 *ETF Pathfinder*) on the S&P 500 (SPX), and we will stay that way as long as support at 7507-7580 holds. We also remain bullish on Technology and A.I. areas (**XLK**, **SOXX**, **DRAM**) which have been leading. It remains noteworthy that the memory ETF (DRAM) has not filled its bullish gap from August 12 at \$51-\$53, and the semiconductor ETF (SOXX) remains above crucial \$464-\$478 support; we have to be bullish if these supports hold. A significant "wall of worry" is being built, and it will only become a problem for the SPX on a sustained break below 7507-7580. At the same time, the market could rip higher if conditions marginally improve -- which is likely in process.

- **Concerns Mounting.** U.S. interest rate volatility (MOVE index) is breaking above 85-90, high yield spreads are rapidly widening, and the U.S. dollar (DXY) is testing crucial resistance at \$102. Caution is warranted, but until the SPX breaks below 7507, we would not be overly concerned.
- **Risk-On Signals.** Market dynamics continue to support our bullish outlook. Risk-on signals include: (1) The U.S. Dollar (DXY) remains below \$102.00 (though testing this level now). (2) High yield spreads are below 320bps (though testing this level now) and 355bps. (3) U.S. interest rate volatility (MOVE index) remains below the 140 level, though is breaking above the important 85-90 level. (4) Mag7 (**MAGS**) just broke out from its 11-month base. (5) Technology and A.I. areas are leading (**XLK**, **SMH**, **CHAT**). (6) Bitcoin and Ether have bottomed (we have been bullish since our 8/25/26 *Compass*). This remains a bull market until proven otherwise... see page 2.

Sector Weighting Recommendations

Sector	Under-Weight	Market-Weight	Over-Weight
Comm. Services (XLC)		X	
Cons. Discretionary (XLY)	X		
Cons. Staples (XLP)	X	X	
Energy (RSPG, XLE)			X
Financials (XLF)		X	
Health Care (RSPH, XLV)			X
Industrials (XLI)		X	
Materials (XLB)		X	
Real Estate (XLRE)	X		
Technology (XLK)		X	
Utilities (XLU)	X		

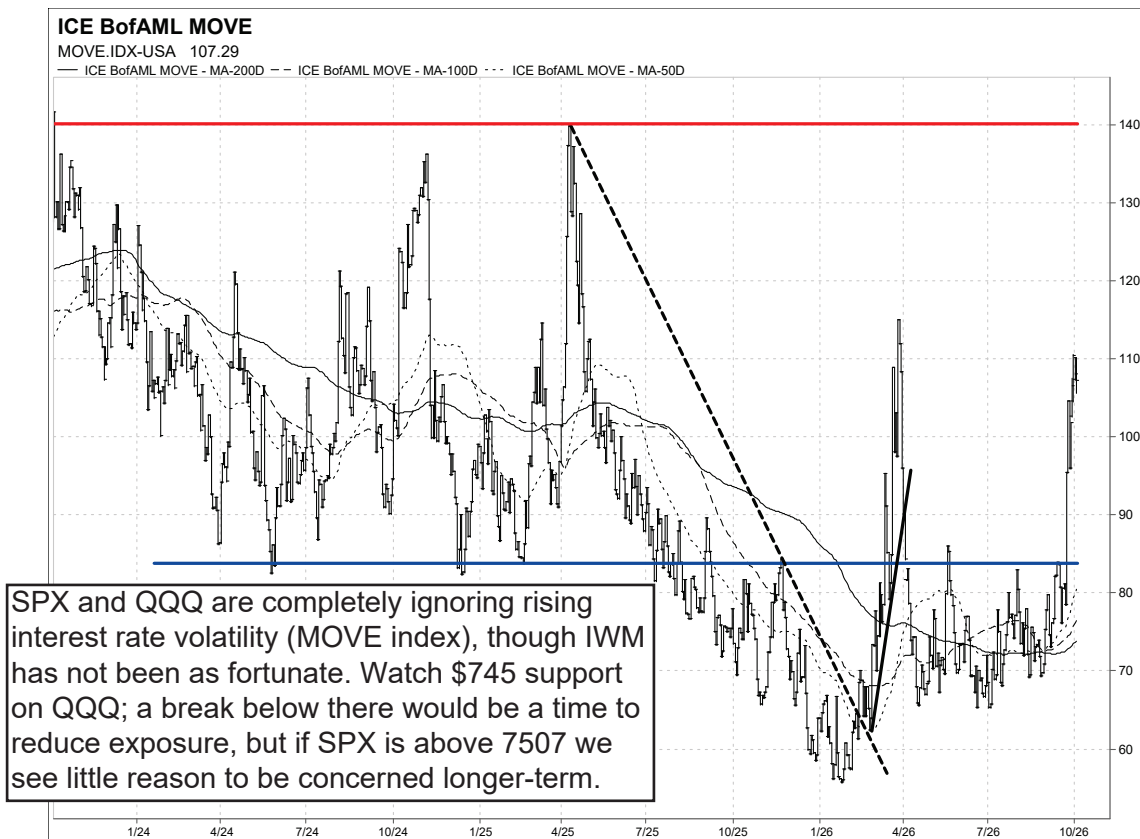
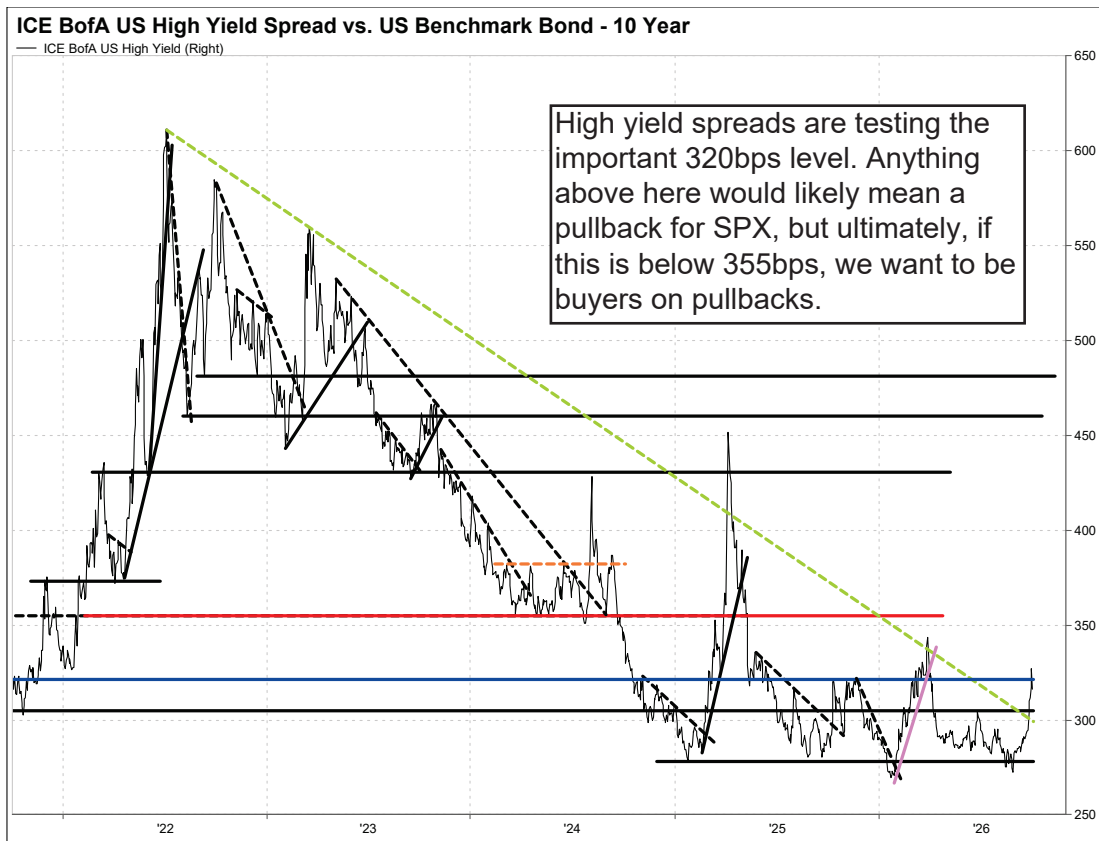


- **Actionable Industry ETFs:** **SMH**, **EUV**, **DRAM**, and **MAGS**... see page 9.

- **EM and Int'l Markets.** We remain overweight MSCI EM (**EEM**) and we are downgrading MSCI EAFE (**EFA**) to underweight... see page 10. Actionable Int'l ETFs highlighted include **EWT**, **EWZ**, **EWY**, and **DXJ**... see page 11.

Nasdaq 100 (QQQ) is leading the way on this attempted breakout above \$749. As long as \$745 holds on any pullback, we have every reason to be bullish on QQQ and Technology. However, a break below \$745 would mean a likely test of \$721-\$728 and potentially \$700.

High Yield Spreads and Interest Rate Volatility (MOVE index) Reasons for Concern?

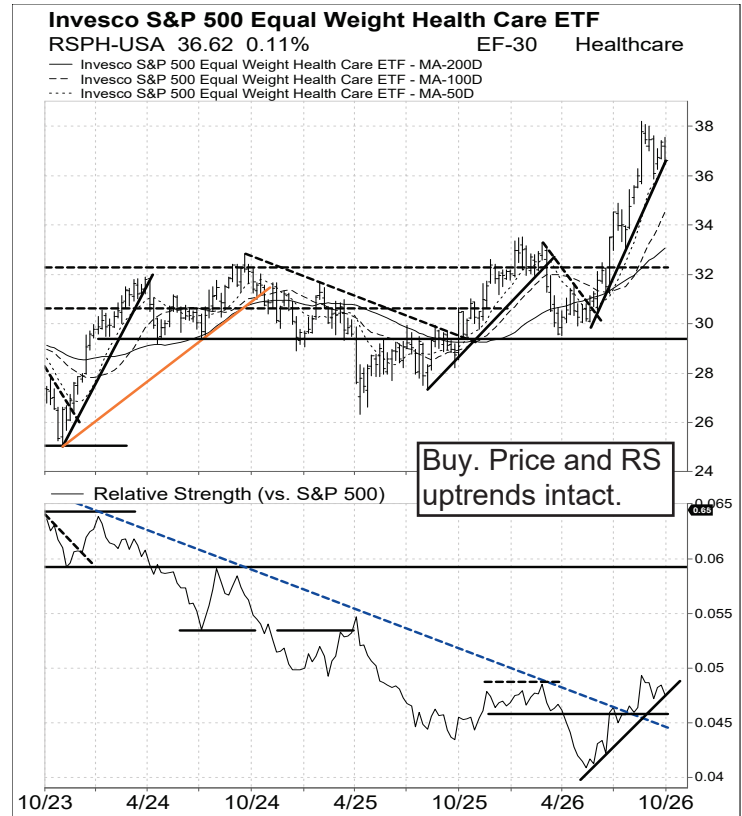


Health Care (XLV, RSPH): Overweight

- RS remains in a 4-month uptrend after reversing its long-term RS downtrend on the *equal-weighted RSPH*. Price on RSPH is consolidating recent gains, but remains attractive longer-term. Remain overweight/add exposure.
- Life science instruments names remain leadership. Buy pullbacks/stay long: **A, CRL, IGV, MTD, RVTY, TMO, WAT, WST**, and **DHR** (bottom-fishing candidate).
- Also attractive: **ABBV, BIIB, GILD, MRNA, MRK, VTRS, CAH, CNC, DGX, HUM, LH, MCK, DXCM, SOLV**, and bottom-fishing candidates **ELV, HCA**, and **UHS**.

Top 10 Holdings (XLV)

Ticker	Weight (%)	Ticker	Weight (%)
LLY	15.8	AMGN	3.8
JNJ	10.3	TMO	3.7
ABBV	7.4	ABT	3.2
MRK	6.0	GILD	2.9
UNH	5.6	PFE	2.5

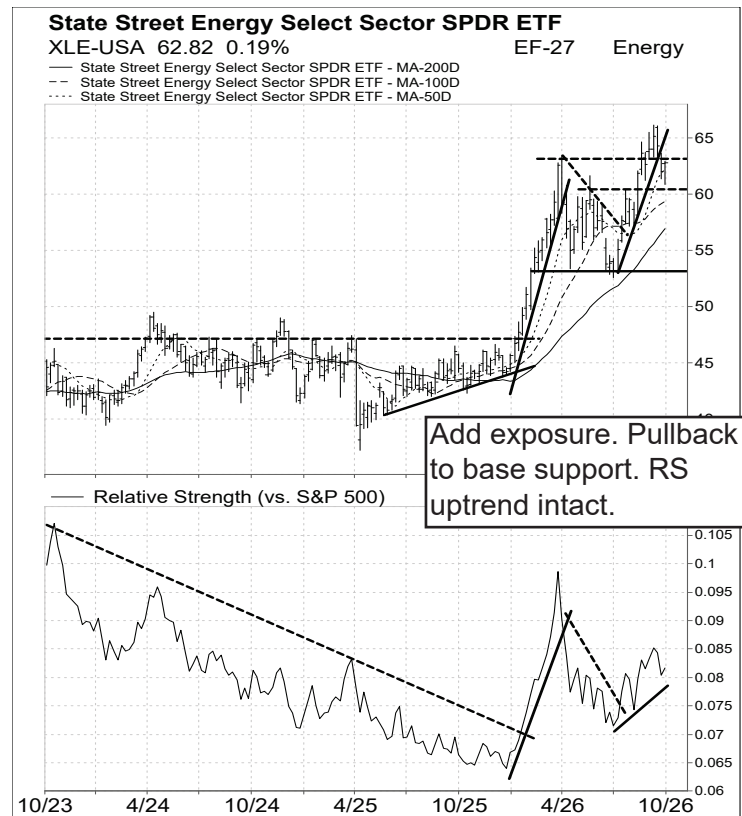


Energy (XLE, RSPG): Overweight

- Price on the cap- and equal-weighted Sectors (**XLE, RSPG**) is pulling back to test 6-month base supports, and RS is making higher lows and higher highs since bottoming in early-July. Remain overweight/add exposure. \$60.50-\$61.50 is support on **XLE** and it remains a great spot to buy, as discussed since late August.
- Refiners (**CRAK**) remain leadership. Buy pullbacks/stay long: **MPC, PSX**, and **VLO**.
- Exploration & production names (**XOP, IEO**) remain leadership -- buy pullbacks/stay long. Attractive names include: **APA, COP, CVX, DVN**, and **XOM**.
- Also attractive: **TRGP**.

Top 10 Holdings (XLE)

Ticker	Weight (%)	Ticker	Weight (%)
XOM	20.6	VLO	5.0
CVX	15.0	SLB	4.4
COP	6.4	EOG	4.4
PSX	5.3	TRGP	3.8
MPC	5.3	BKR	3.6

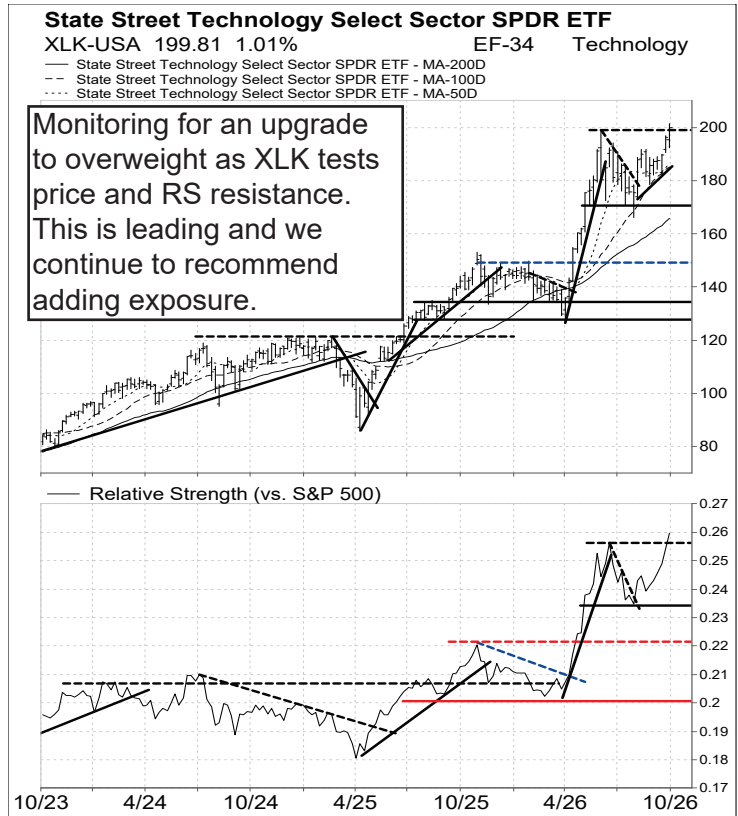


Technology (XLK): Market Weight

- We continue to have Technology (XLK, RSPT) on watch for an upgrade, as we view this consolidation as healthy. We would likely upgrade the Sector to overweight if XLK and RSPT break out to new 2026 price highs (testing the highs now). Short-term support on the XLK is at \$189 followed by \$179-\$182.25. Semiconductors (SOXX) is our top buy within the Sector, though software (CIBR, IGV) also remains attractive.
- Attractive names include: **ADI, AMAT, AMD, INTC, KLAC, LRCX, MPWR, NVDA, ON, Q, SWKS, TER, TXN, AAPL, DELL, HPE, HPQ, SMCI, MU, NTAP, SNDK, STX, WDC, CDNS, CRM, CRWD, DDOG, FTNT, MSFT, NOW, PANW, PLTR, WDAY, ANET, CSCO, FFIV, APH, GLW, KEYS, ZBRA**, and bottom-fishing candidates **TEL, GDDY, IT, and SNPS**.

Top 10 Holdings (XLK)

Ticker	Weight (%)	Ticker	Weight (%)
NVDA	14.2	AMD	4.0
AAPL	12.4	INTC	3.0
MSFT	9.8	CSCO	2.9
AVGO	4.8	PLTR	2.8
MU	4.1	LRCX	2.6

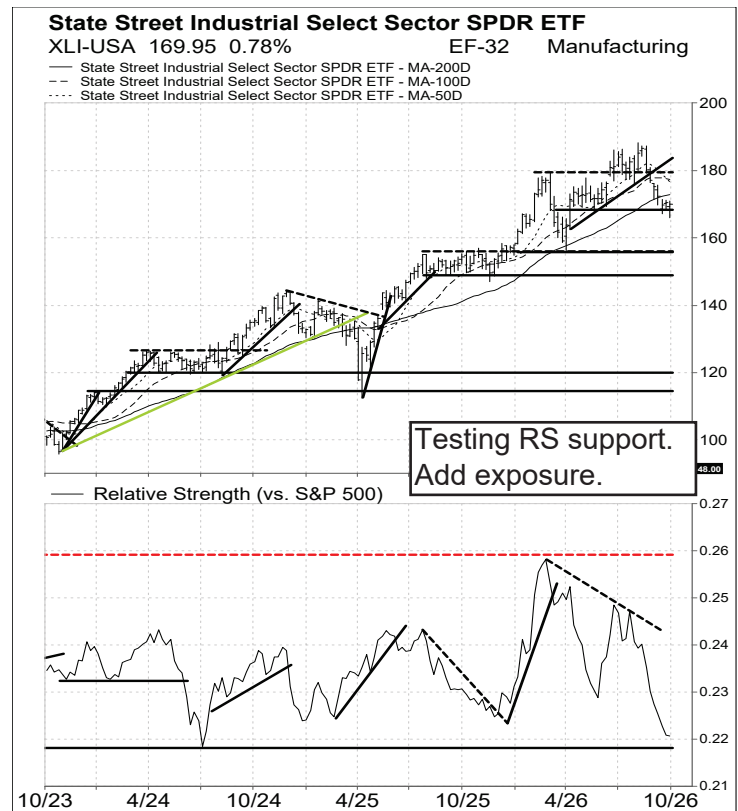


Industrials (XLI): Market Weight

- RS on the XLI is near multi-year lows, but RS remains within a 6+ year horizontal range and is testing support. This is where we would expect the Sector to start outperforming again. The break below base support at \$177-\$179.50 was a bearish sign, but next support at \$165-\$168.50 has held for now.
- Attractive names include: **CAT, DE, IEX, NDSN, WAB, JCI, PWR, AME, EMR, GEV, GNRC, ROK, EXPD, CSX, UNP, DAL, PAYC, FAST, and URI**.

Top 10 Holdings (XLI)

Ticker	Weight (%)	Ticker	Weight (%)
CAT	6.7	BA	3.0
GE	6.4	ETN	2.9
RTX	5.0	DE	2.9
GEV	4.5	UBER	2.8
UNP	3.2	PH	2.2



Materials (XLB): Market Weight

- We remain market weight Materials, but we are monitoring for a potential downgrade to underweight; RS on *cap-weighted* Materials (XLB) violated the steep 3-month uptrend in March, and RS is moving lower as it approaches logical support. Be selective. Price on the XLB continues to develop bearishly, recently breaking below \$49-\$50 support.
- Metals and mining names continue to be where we want to be within Materials. Buy: **FCX, NEM, NUE, and STLD**.
- Nothing else is particularly attractive within the Sector.

Top 10 Holdings (XLB)

Ticker	Weight (%)	Ticker	Weight (%)
LIN	12.9	CTVA	4.7
NEM	8.0	ECL	4.7
FCX	6.3	VMC	4.3
SHW	4.9	NUE	4.1
APD	4.7	MLM	4.1

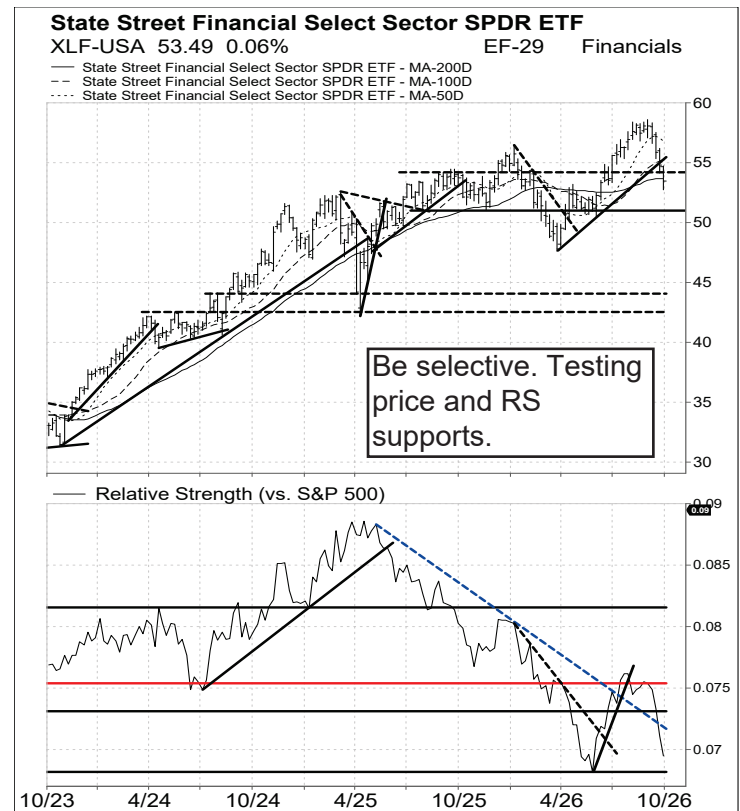


Financials (XLF): Market Weight

- We discussed in our 8/24/26 *ETF Pathfinder* how RS on *cap-weighted* Financials (XLF) displayed waning upside momentum, and RS has been moving lower since. Stay at market weight but be very selective as RS approaches support. Price on the XLF is testing \$53-\$54 support.
- Attractive names include: **BEN, IBKR, IVZ, NTRS, STT, CPAY, MET, PFG, TRV, C, JPM, BNY**, and bottom-fishing candidates **COIN, HOOD, and BRK.B**.

Top 10 Holdings (XLF)

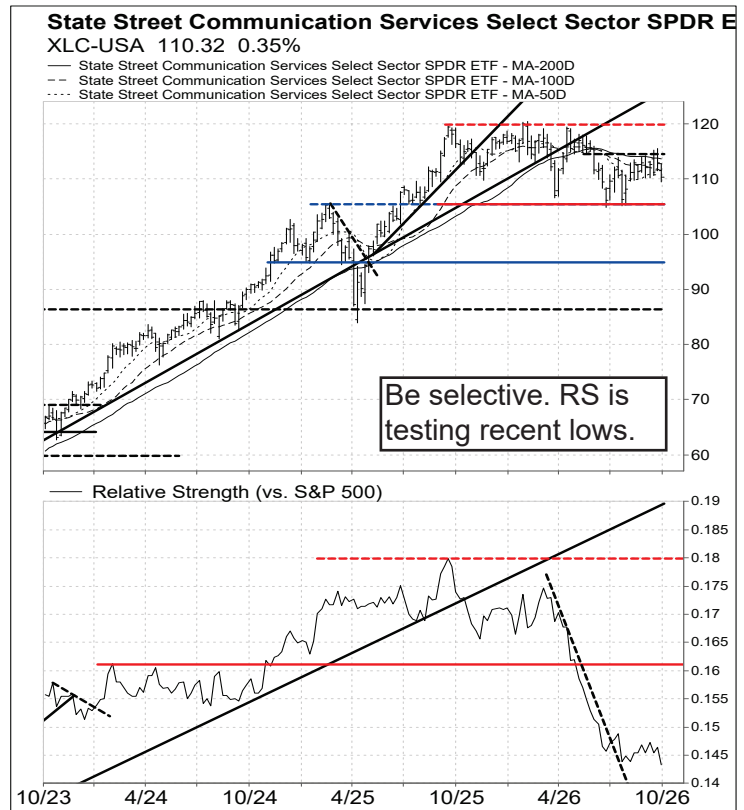
Ticker	Weight (%)	Ticker	Weight (%)
JPM	11.6	GS	3.8
BRK.B	11.2	MS	3.2
V	7.6	WFC	3.2
MA	5.8	C	2.8
BAC	5.0	SCHW	2.3



Comm. Services (XLC): Market Weight

- RS on *cap-weighted* Communications (XLC) has stabilized after reversing above its 4-month downtrend -- add selective exposure. Support at \$105.50 held, but price has not been able to break above \$114 resistance. Additional resistance is at \$120.
- Attractive names include **META**, **GOOGL**, **MTCH**, and **NWSA**.

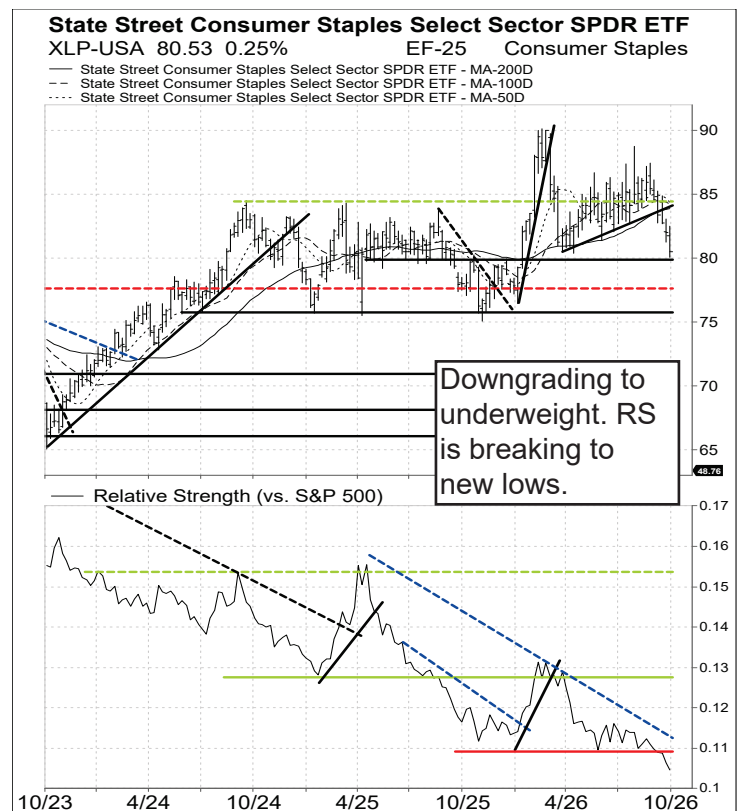
Top 10 Holdings (XLC)			
Ticker	Weight (%)	Ticker	Weight (%)
META	16.1	CMCSA	4.9
GOOGL	10.5	DIS	4.9
GOOG	8.4	NFLX	4.8
T	5.1	WBD	4.7
VZ	5.0	TMUS	4.7



Consumer Staples (XLP): Underweight (downgrading today from Market Weight)

- **DOWNGRADE.** RS is breaking below support on the *cap-weighted* XLP, and we are downgrading the Sector to underweight. We have discussed to be extremely selective as RS has remained within a 1.5-year downtrend. Price continues to deteriorate following the 5.5-month uptrend violation in early-September and subsequent break below the 200-day MA. \$80-\$81 remains important horizontal support (testing now).
- Attractive names include: **TGT**, **ADM**, **KO**, and **MNST**.

Top 10 Holdings (XLP)			
Ticker	Weight (%)	Ticker	Weight (%)
WMT	9.6	TGT	4.7
COST	8.9	CL	4.5
KO	7.5	MDLZ	4.5
PG	7.1	PEP	4.5
PM	6.2	MNST	4.3

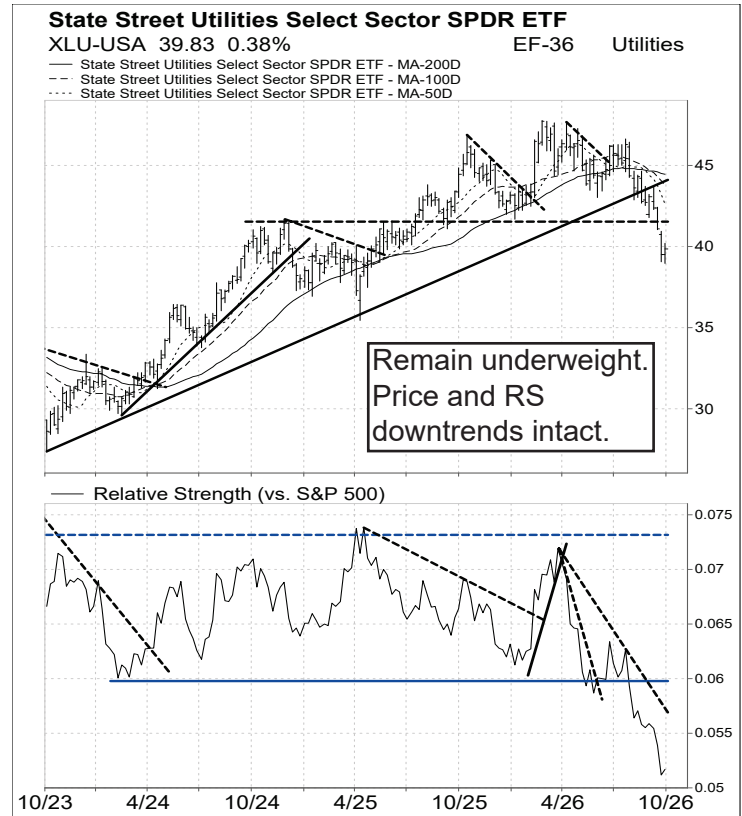


Utilities (XLU): Underweight (downgraded 9/21/26 from Market Weight)

- RS on the *cap-weighted* XLU remains in a downtrend after violating multi-year support -- remain underweight. We discussed in our 8/24/26 *ETF Pathfinder* how the XLU's price uptrend from the 2023 lows is being violated, a concerning development. Price is now testing 4.5-year base support. Be extremely selective.
- We would generally avoid the Sector entirely. One attractive bottom-fishing candidate is **VST**, though we would use \$132 or slightly below as a stop loss.

Top 10 Holdings (XLU)

Ticker	Weight (%)	Ticker	Weight (%)
NEE	13.1	D	4.4
SO	7.5	SRE	4.1
DUK	7.0	ETR	3.6
CEG	6.6	XEL	3.6
AEP	5.0	EXC	3.4

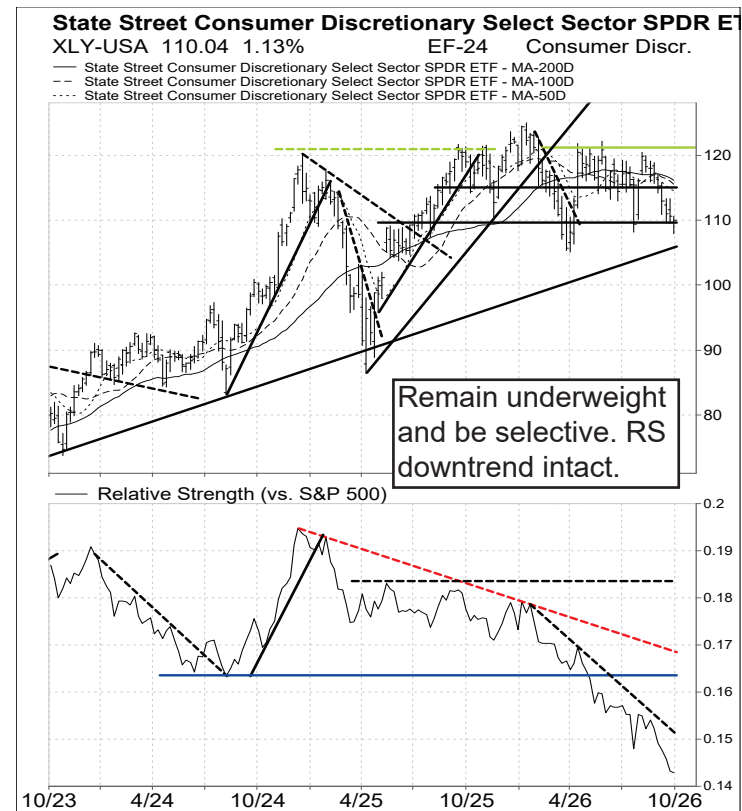


Consumer Discretionary (XLY): Underweight

- RS on *cap-weighted* Discretionary (XLY) remains in a YTD downtrend -- remain underweight. We would need to see RS reverse this YTD downtrend in order to upgrade the Sector to market weight. Price is back to test \$110 support and also the 6.5-year uptrend. Be selective.
- Attractive names include: **AMZN**, **EBAY**, **ABNB**, **GRMN**, **WSM**, **MAR**, and bottom-fishing candidates **GPC**, **DASH**, and **MHK**.

Top 10 Holdings (XLY)

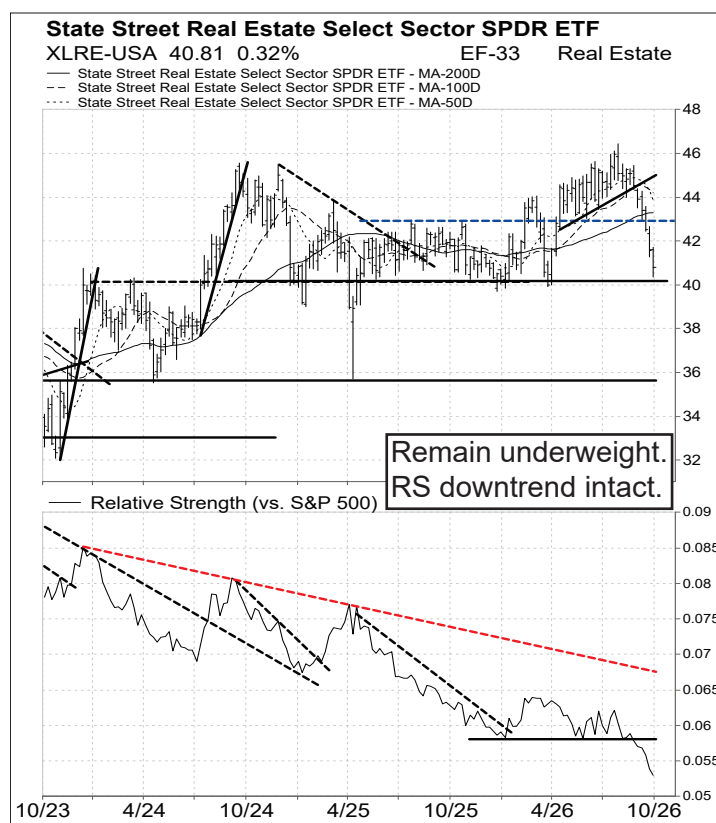
Ticker	Weight (%)	Ticker	Weight (%)
AMZN	24.0	TJX	3.6
TSLA	16.9	SBUX	3.0
HD	5.5	LOW	3.0
MCD	4.1	DASH	2.1
BKNG	4.0	GM	2.0



Real Estate (XLRE): Underweight

- The long-term RS downtrend remains intact on Real Estate (**XLRE**) -- remain underweight. RS is now breaking to all-time lows. Price is also breaking down below \$43 support, and we discussed in our 9/21/26 *ETF Pathfinder* how the XLRE could be poised to test crucial support at \$40-\$40.50. Price is testing this level now. Be very selective.
- Attractive names include: **WELL** and **HST**.

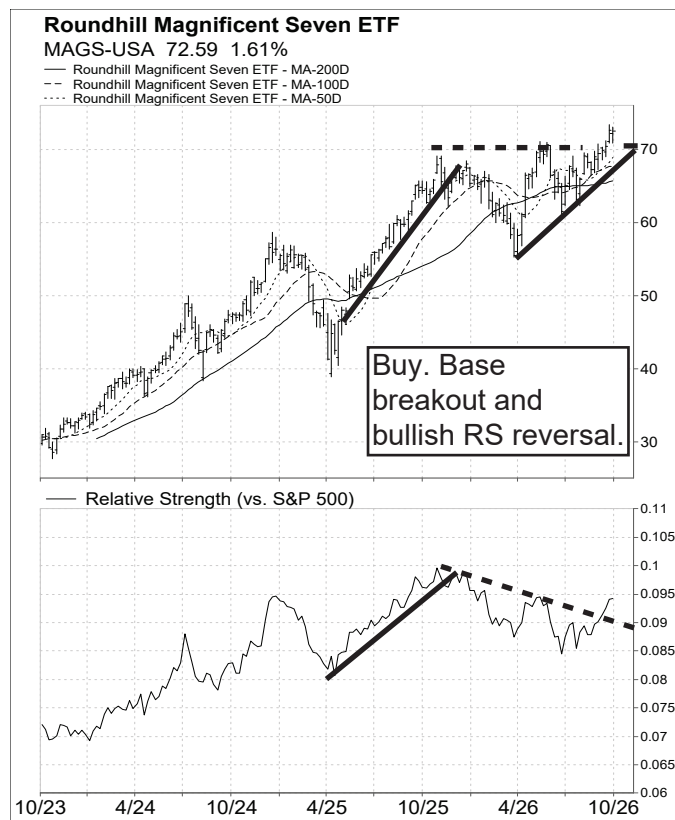
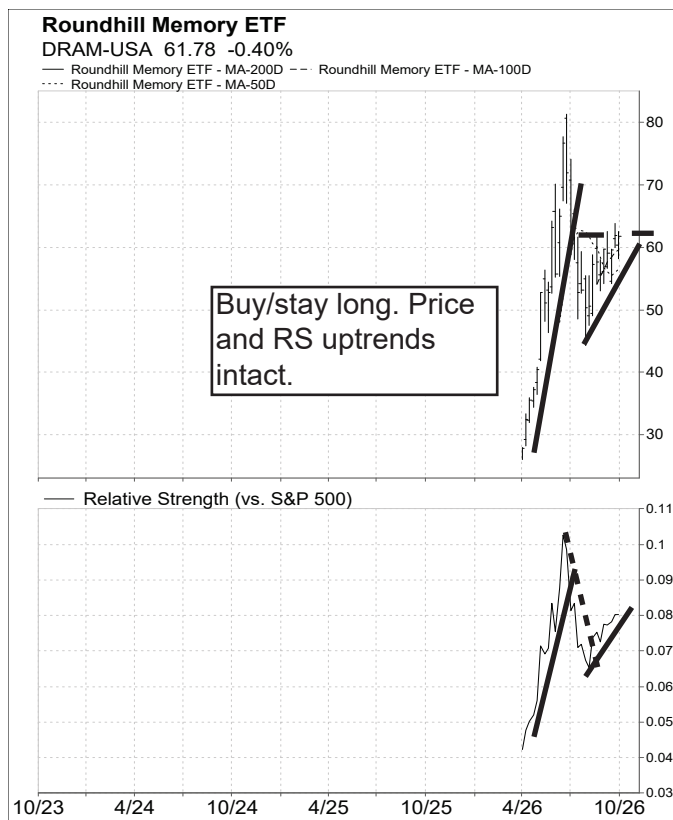
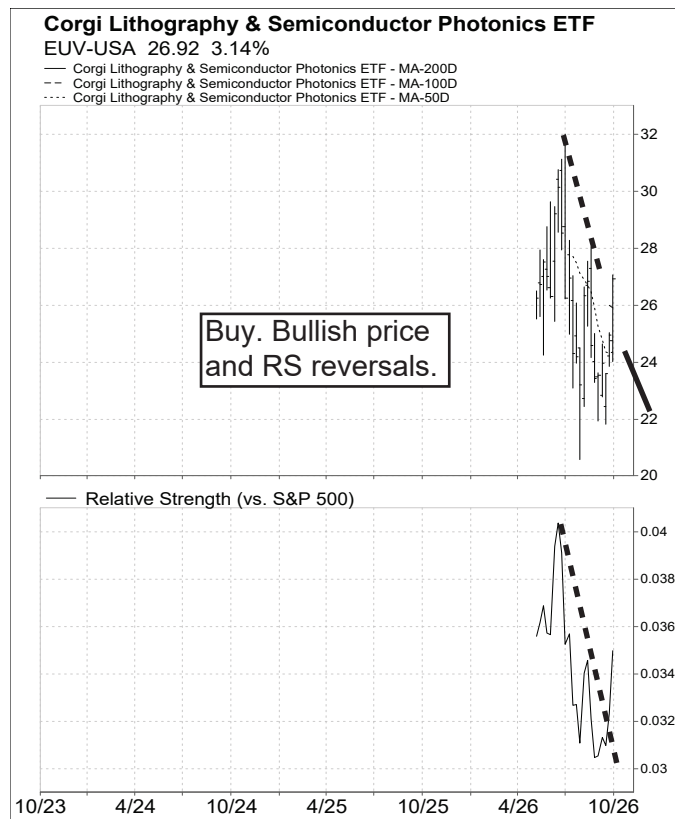
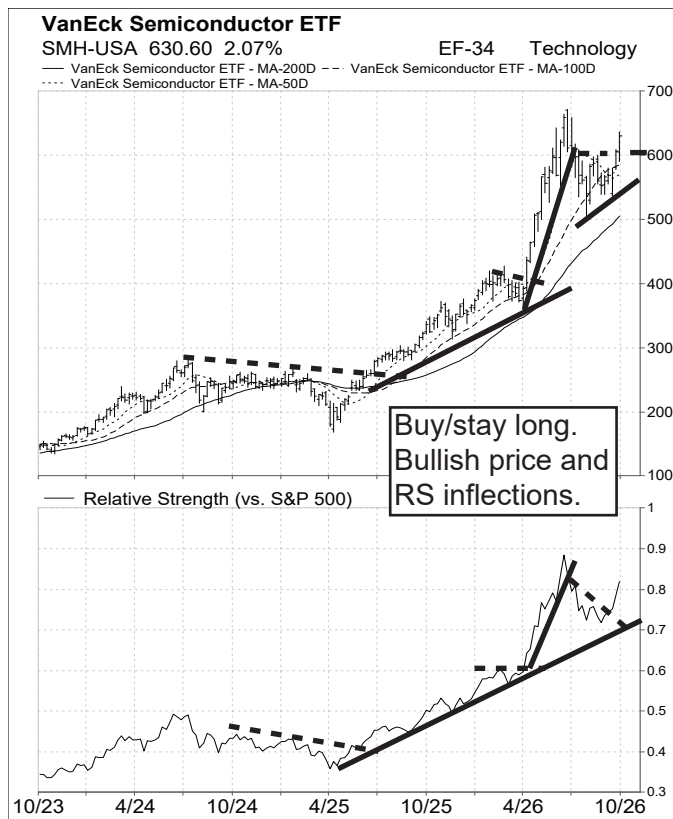
Top 10 Holdings (XLRE)			
Ticker	Weight (%)	Ticker	Weight (%)
WELL	11.3	DLR	5.0
PLD	9.0	SPG	4.8
EQIX	7.1	PSA	4.7
AMT	5.5	VTR	4.6
VMRK	5.0	CBRE	4.5



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Actionable Industry ETFs

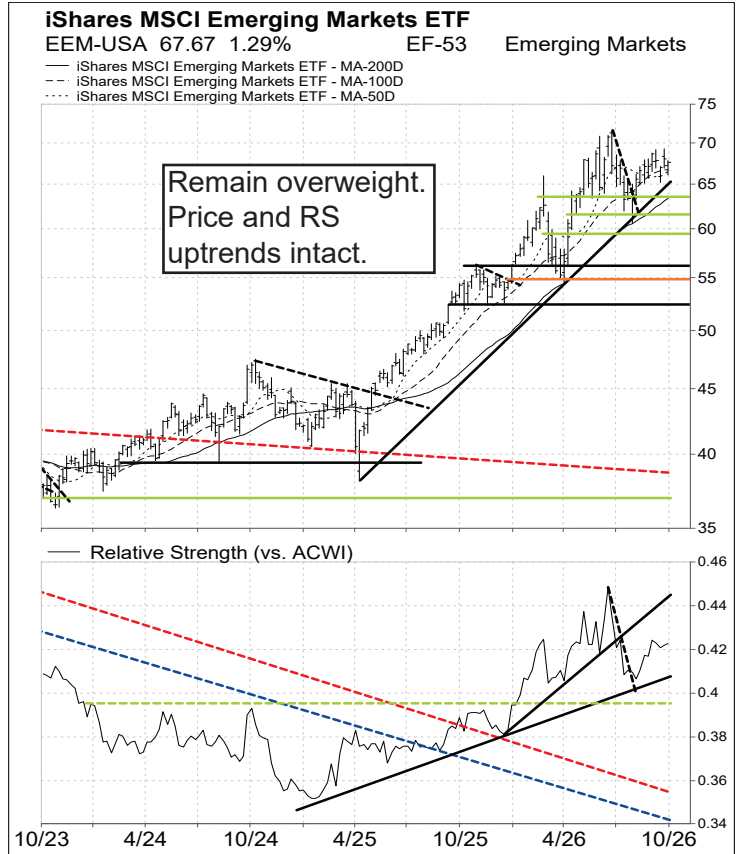
- Below we highlight industry-specific ETFs with timely technical patterns.
- Highlighted charts: SMH, EUV, DRAM, and MAGS



Emerging Markets

RS on MSCI EM (**EEM**) continues to hold at the 1.5+ year uptrend, which continues to support our overweight recommendation. Price remains bullish with the 1.5-year uptrend intact, and price and RS also reversed above 1.5-month downtrends in early-August. Support is at \$65.50 followed by \$63.00 and \$61.60.

Attractive EM countries/regions highlighted include: Taiwan (**EWT**), Brazil (**EWZ**), and South Korea (**EWY**)... see charts on page 11.



Developed Int'l Markets

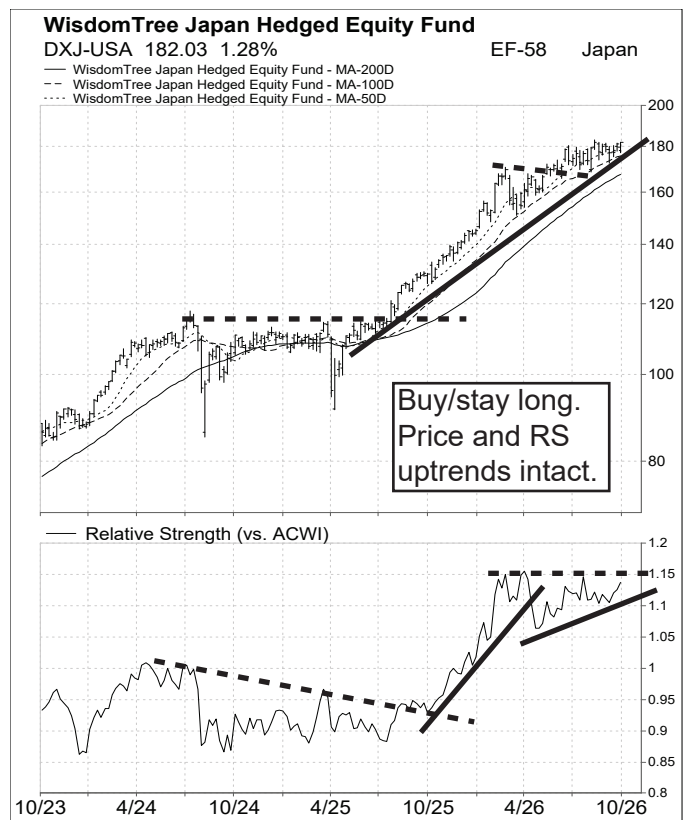
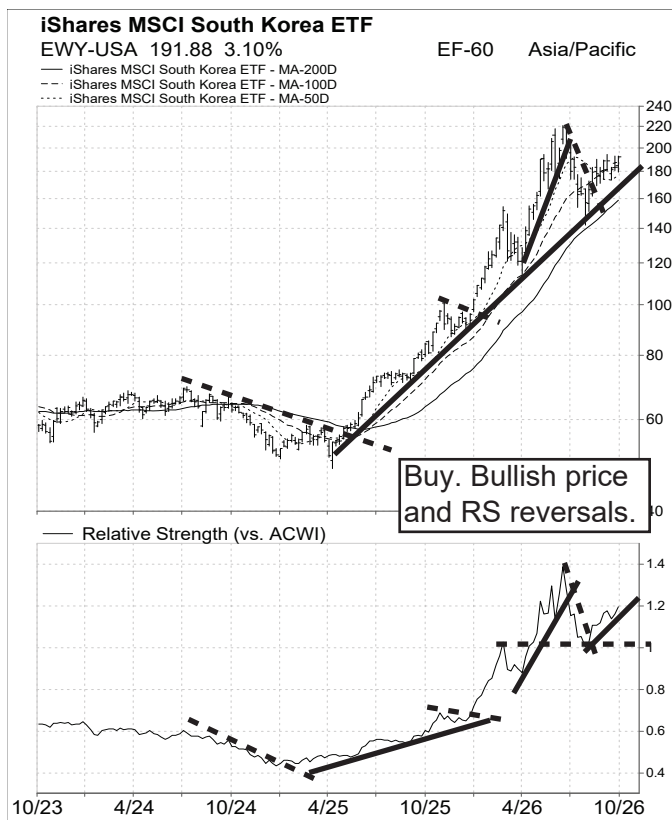
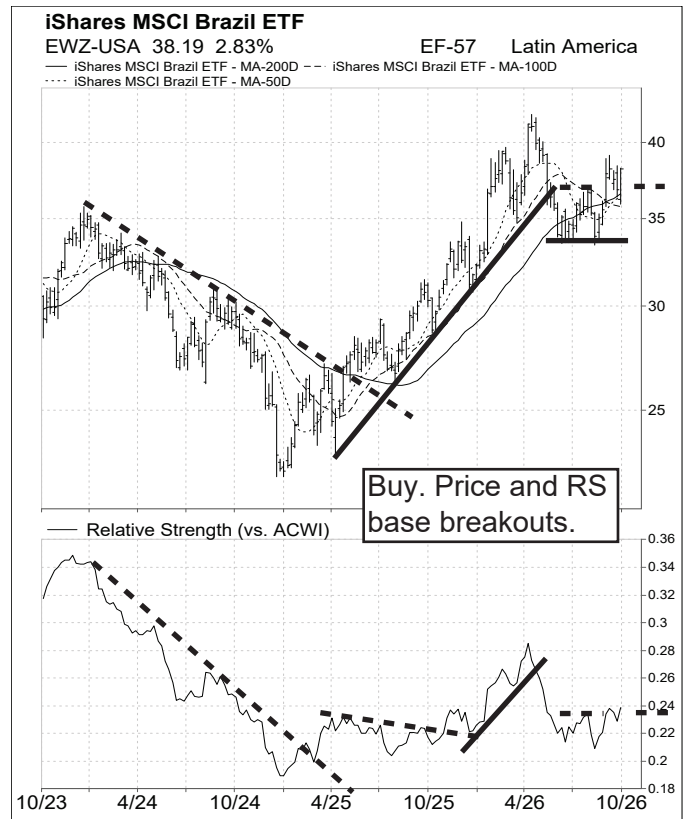
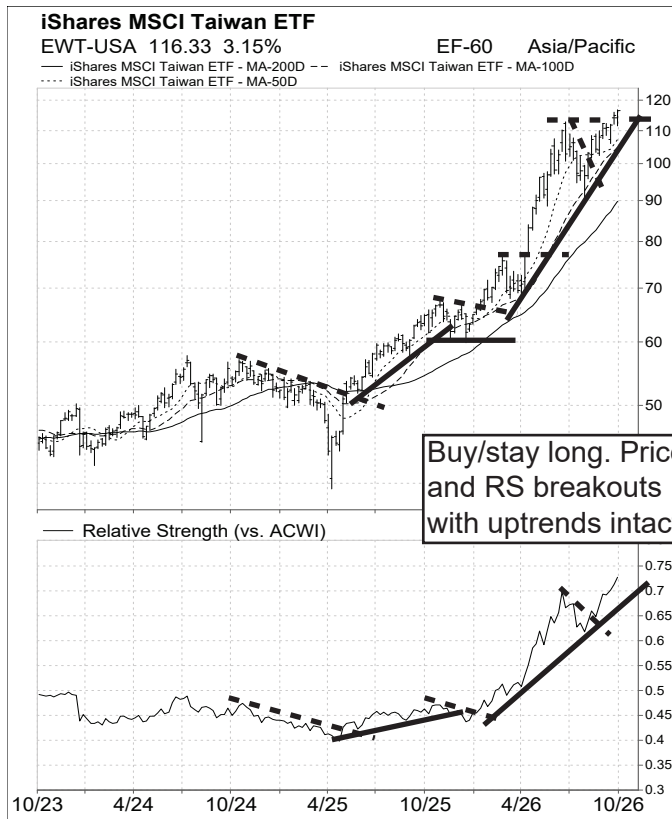
RS is breaking below support on MSCI EAFE (**EFA**) and we are downgrading EAFE to underweight (vs. MSCI ACWI). Price on EFA also displays a bearish break below 7-month base support at \$105 -- sell. Next support is at \$101.50-\$102.50 which coincides with the 200-day MA (testing now).

Attractive developed int'l countries/regions highlighted include: Japan (**DXJ**, **HEWJ**, **EWJ**)... see chart on page 11.



Actionable International ETFs

- Below we highlight international-focused ETFs with timely technical patterns.
- Highlighted charts: EWT, EWZ, EWY, and DXJ



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